

ENCLOSURE NO. 1

DOI Waiver Letter In ERU File

Foreign Mineral Economics \$80,000

Proper evaluation of the war potential of foreign producing and consuming nations in terms of mineral supplies available in time of an emergency to the United States and to its possible enemies, makes imperative:

(1) Creation of a unit in the Bureau of Mines, staffed with personnel qualified to prepare analytical reports essential to policy-making agencies of this Government that are responsible for the development of our economic foreign policy. Such agencies with which the Bureau is cooperating closely are the Central Intelligence Group of the National Intelligence Authority, the several Offices of the Department of State that operate under the Assistant Secretary for Economic Affairs, and the Interdepartmental Committee created to implement Public Law 520, 79th Congress, approved July 23, 1946, the responsibility of which is to determine the quantity and quality of materials to be stockpiled by the United States Government;

(2) Establishment of a unit within the Bureau of Mines staffed with personnel competent to implement Public Law 724, 79th Congress, effective November 13, 1946, which authorizes assignment abroad for special duty of experts qualified to serve this Government's need for mineral reporting officers in the Foreign Service of the United States. A proposal by the Bureau for funds necessary to establish this service was recommended simultaneously by the Bureau of Mines and the Department of State in their respective appropriation hearings before the Congress for fiscal year 1947. The recommendation of the Bureau was disapproved in its entirety by the Congress, although the latter approved and provided funds to the Department of State for the counterpart of the Bureau organization as recommended herein.